

**SIPC v BLMIS**

**Jackson 5/23/2016**

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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SECURITIES INVESTOR PROTECTION  
CORPORATION,

Adv.Pro.No.  
08-01789(SMB)

Plaintiff,

SIPA Liquidation

v.

BERNARD L. MADOFF INVESTMENT  
SECURITIES, LLC,

(Substantially  
Consolidated)

Defendant.

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In Re:

BERNARD L. MADOFF,

Debtor.

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Videotaped Deposition of WINIFER JACKSON,  
as reported by Nancy C. Bendish, Certified Court  
Reporter, RMR, CRR and Notary Public of the  
States of New York and New Jersey, at the office  
of BAKER HOSTETLER, 45 Rockefeller Plaza, New  
York, New York, on Monday, May 23, 2016,  
commencing at 10:30 a.m.

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1 Q. Who would you receive the checks  
2 from?

3 A. The computer staff would leave  
4 them for me the night before.

5 Q. So that's Ms. Mui and Ms. Kahn?

6 A. Right.

7 Q. Would leave you the checks the  
8 night before?

9 A. Right.

10 Q. And would you review what was  
11 printed on the check?

12 A. Not necessarily what was printed,  
13 as far as the amount, but I would review -- I  
14 would write the check -- the check numbers had  
15 to be logged onto the computer printout, the  
16 check number itself, and once again we would  
17 review who was receiving them hand-delivered,  
18 mailed or if they were being picked up.

19 Q. When you say computer printout,  
20 what do you mean by that?

21 A. The computer printout, based on  
22 however -- based on the checks that are being  
23 sent out, there was a printout that was  
24 generated that would give you that exact same  
25 information. It would give you their account

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1 number, the amount of the check and the name  
2 that's on the check.

3 Q. Okay.

4 A. It would be a comparison of the  
5 two.

6 Q. And you would go and you would  
7 write in the check number?

8 A. Yeah, we would physically write  
9 the check number on the log just to keep up with  
10 the checks.

11 Q. Do you remember what that log was  
12 called? Did it have a name, or how did you  
13 refer to it?

14 A. Check log.

15 Q. Who was responsible for  
16 instructing the computer staff to print the  
17 check?

18 A. That would basically come from  
19 Frank or Jodi, and in some cases Annette.

20 Q. And how was the computer staff  
21 instructed to produce a check?

22 A. I guess based on the information  
23 that was generated when accounts were initially  
24 set up. If they were gonna be profit withdrawal  
25 accounts or if they were gonna be reinvestment

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1 not email. Through a letter or through a fax,  
2 you know, to state what changes that they want.

3 Q. Once a customer requested a  
4 change, either from send to reinvest or reinvest  
5 to send, how would that be accomplished at  
6 BLMIS?

7 A. Once again, that information would  
8 be inputted into the system to make that change.

9 Q. Would it be indicated in the  
10 physical customer files or simply in the  
11 computer?

12 A. No. We would have to have a paper  
13 trail. So we would have, like I said, a letter  
14 or fax that would tell us what they wanted us to  
15 do. I'm not 100 percent sure if they verbally  
16 spoke that to Frank over the phone, but I do  
17 know that when we made changes -- when changes  
18 were made it usually was done through paper.

19 Q. So if an account was marked  
20 "send," did BLMIS send the customer their  
21 profits in that account?

22 A. Yes.

23 Q. And if an account was marked  
24 "send," was written authorization needed each  
25 time before the profits were sent to the

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1 customer?

2 A. No.

3 Q. If an account was marked "send,"  
4 did that customer receive their profits by  
5 check?

6 A. By check or it's possible by wire.  
7 Wire transaction.

8 THE WITNESS: I'm sorry to stop  
9 you, but can I please go to the ladies room?

10 MS. VANDERWAL: Oh, of course. Go  
11 off the record a minute.

12 THE VIDEOGRAPHER: Time is 11:10  
13 a.m., off the record.

14 (Recess taken.)

15 THE VIDEOGRAPHER: Time is 11:20  
16 a.m., back on the record.

17 BY MS. VANDERWAL:

18 Q. Ms. Jackson, if an account was  
19 marked "send" the customers received their  
20 profits by check?

21 A. Yes.

22 Q. If an account was marked "send"  
23 and BLMIS sent the customer a check, was the  
24 check made out to the customer whose name was  
25 listed on the account?

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1           A.       Prior to me doing it, Jodi used to  
2 do it. If I was not in the office, Simone would  
3 do it, but most of the time I was the one who  
4 would do the bank.

5           Q.       Okay. I'd like to show you an  
6 exhibit that's been previously marked as Trustee  
7 Exhibit 23.

8                   Does Exhibit 23 look like the type  
9 of customer documents that you testified earlier  
10 were kept in folders?

11          A.       Yes, but this is like going back  
12 from the very beginning of time, from when I  
13 first started there, because this document  
14 changed a little bit. But yes.

15          Q.       Does this appear to be the  
16 customer file for account number 1C1047 in the  
17 name of Hanoh Charat?

18          A.       Yes.

19          Q.       I direct you your attention to the  
20 page that ends in 2330.

21          A.       Yes.

22          Q.       It's entitled "Name/Address File  
23 Maintenance."

24          A.       Yes.

25          Q.       Are you familiar with this type of

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1 form?

2 A. Yes.

3 Q. And what is this type of form?

4 A. This will go into the customer's  
5 account whenever they initially opened the  
6 account and a number would be assigned to it.  
7 And basically you just take the customer's name,  
8 address, phone number and information, personal  
9 information, once again.

10 Q. And who would be responsible for  
11 filling in this type of form?

12 A. This would be technically filled  
13 in by the customer and, in some cases, depending  
14 on how the account was opened, if it was given  
15 by the account representatives, the customer  
16 would write this information in. Certain  
17 information like the account numbers and stuff  
18 like that would be written in by the account  
19 representative.

20 Q. So by account representative, who  
21 do you mean?

22 A. Frank, Jodi, Annette or even  
23 Bernie.

24 Q. Would you ever be responsible for  
25 filling in one of these?

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1 A. No.

2 Q. I direct your attention to sort of  
3 the bottom half of the form. There's three  
4 headings: Profits, dividends, interest, and  
5 there's a note that "S" equals send and "R"  
6 equals reinvest.

7 A. Yes.

8 Q. What do you understand that to  
9 mean?

10 A. Once again, that whatever the  
11 profits are on the account, the "S" would  
12 indicate to send the profits to the customer.  
13 Reinvest, the "R" for reinvestment meant to  
14 reinvest whatever the profits was back into the  
15 customer's account.

16 Q. And can you tell from this account  
17 for 1C1047 if it was a send account or a  
18 reinvest account?

19 A. Yes, it's a send account.

20 Q. And how can you determine that?

21 A. Because it was marked "S" as a  
22 send.

23 Q. So, for the record, you're  
24 referring to the handwritten "S" --

25 A. Yes.



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1 Q. Dated September 30th, 1992?

2 A. Yes.

3 Q. And do you see a transaction on  
4 this customer statement on September 22nd, a  
5 profit withdrawal in the amount of \$173.92?

6 A. Yes.

7 Q. And it's identified as "check  
8 Staples"?

9 A. Yes.

10 Q. Based on your experience at BLMIS,  
11 would the "check Harley" identified on Trustee  
12 Exhibit 32 and the "check Staples" identified on  
13 Exhibit 33 have been checks sent to Doris  
14 Zimmeth?

15 A. Yes.

16 Q. And would they have been paid to  
17 Doris Zimmeth?

18 A. Yes.

19 Q. I direct your attention please to  
20 Trustee Exhibit 34. It is entitled "Arbitrage  
21 Portfolio Transactions." Are you familiar with  
22 this type of report?

23 A. I've seen it before, yes.

24 Q. And in what capacity did you see  
25 it?

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1           A.       Well, I didn't deal with the  
2     arbitrage accounts. This was very early on when  
3     I was there, but this is a transaction report  
4     that basically gives a listing of all of the  
5     monies that came in and went out for a customer.

6           Q.       Do you understand how the  
7     arbitrage transactions worked?

8           A.       Not really. I didn't really deal  
9     with them too much.

10          Q.       Who dealt with the arbitrage  
11     transaction?

12          A.       The arbitrage was dealt with by  
13     Jo Ann Sala.

14          Q.       I direct your attention to the  
15     part of Exhibit 34 where it says 1Z0091 and the  
16     name "Doris Zimmeth."

17          A.       Yes.

18          Q.       Do you see close to the bottom of  
19     the list of items under "Doris Zimmeth" a  
20     notation for "8/14, PW, \$90.50"?

21          A.       Yes.

22          Q.       And does that correspond to the  
23     statement that we looked at in Exhibit 32?

24          A.       Yes.

25                   MS. CHAITMAN: She's testified she

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1                   You mentioned that you had seen  
2 trade confirmations?

3           A.       Yes.

4           Q.       What did you do with those trade  
5 confirmations?

6           A.       Once they were generated, we would  
7 mail them out to the customers.

8           Q.       And who generated them?

9           A.       The computer room. They were  
10 written up by Annette, Frank or Jodi and  
11 generated through the computer room. And  
12 then --

13          Q.       Can you -- and you would receive a  
14 printout?

15          A.       Yes.

16          Q.       And you would send that printout  
17 to the appropriate customer?

18          A.       It would go to the customer.

19          Q.       Okay. And I believe you testified  
20 that at the end of each day you would give your  
21 checkbook to Ms. Mui and Ms. Kahn to enter the  
22 checks that came in, to log the checks that came  
23 in into the computer system. Is that correct?

24          A.       Yes.

25          Q.       To your knowledge, did Ms. Crupi